MCI Communications Corporation

1801 Pennsylvania Avenue, NW
Washington, DC 20006

December 20, 1996

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: Implementation of Infrastructure Sharing Provisions in the Telecommunications Act of 1996, CC Docket 96-237

Dear Mr. Caton:

Enclosed herewith for filing are the original and eleven (11) copies of MCI Telecommunications Corporation's Comments regarding the above-captioned matter. Pursuant to the Commission's request, MCI is also submitting by separate cover a 3.5 inch diskette using MS DOS 5.0 and WordPerfect 5.1 software, containing our enclosed comments.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Comments furnished for such purpose and remit same to the bearer.

Sincerely yours,

Lawrence Fenster

cc: ITS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of:	)	
	)	
Implementation of Infrastructure	)	**CC Docket No. 96-237**
Sharing Provisions in the	)	
Telecommunications Act of 1996	)	

COMMENTS OF
MCI TELECOMMUNICATIONS CORPORATION

Lawrence Fenster
MCI Telecommunications Corp.
1801 Pennsylvania Ave., NW
Washington, DC 20006

December 20, 1996

SUMMARY

Congress intended the Commission to implement rules permitting carriers qualifying under Section 259 to receive access to ILEC network facilities, resources, and information on terms more favorable than they would receive, either under Section 251, or under any agreement among non-competing LECs prior to the passage of the 1996 Act. Section 259 can realize Congress' desire of promoting universal service only if the qualifying LEC has the ability to gain access to incumbent LEC facilities, over-and-above its ability to do so under Section 251. Congress believed that the competition induced by Section 251 would promote greater availability and quality of telecommunications services. By granting LECs qualifying under Section 259 the same access to incumbent LEC facilities, resources, and information as available under Section 251, the benefits of competition will be carried over to areas where competition has yet to develop.

Towards this goal, MCI recommends:

* the Commission to make its rules regarding access to incumbent LEC facilities and services adopted in §51.305-§51.323; §51.405;§51.501-§51.515; §51.601-§51.617; and §51.701-§51.717 the baseline terms available to any Section 259 qualifying carrier;

* the Commission to require prices for Section 259 facilities to be less than or equal to its interim proxy prices for unbundled network elements, minus an average amount of common costs and a normal rate of return;

* the Commission to apply similar notice to qualifying carriers of changes in the incumbent LEC's network;

* the Commission to automatically qualify as Section 259 carriers companies that have no corporate parent, and that serve rural or low-income areas not contiguous with a non-rural or non low-income area it also serves;

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I. Introduction

MCI Telecommunications Corporation ("MCI") respectfully submits its comments in response to the Notice of Proposed Rulemaking ("Notice") in the above-captioned docket[1]. In this Notice, the Commission is seeking comments from interested parties on how to implement the infrastructure sharing provisions of Section 259 of the Telecommunications Act of 1996 (1996 Act).

II. Background

The Telecommunications Act of 1996 is the first major revision of telecommunications law since 1934. The Act removes legal and regulatory barriers which historically have prevented competitors from entering local telecommunications markets, and entrusted the Commission to establish rules that would open telecommunications markets to competition. Concomitant to its desire to promote competition in all telecommunications markets, Congress also endeavored to promote universal service by requiring incumbent local exchange companies (Incumbent LECs) to

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[1] In the Matter of Implementation of Infrastructure Sharing Provisions in the Telecommunications Act of 1996, CC Docket 96-237, FCC No. 96-456, released November 22, 1996.

share their infrastructure to qualifying entities on just and reasonable terms.[2]

Section 259(a) directs the Commission to establish regulations that require Incumbent LECs to make certain "public switched network infrastructure, technology, information, and telecommunications facilities and functions" available to any carrier considered an eligible carrier under Section 214(e).[3] Section 259(b) directs the Commission to establish guidelines implementing infrastructure sharing pursuant to just and reasonable terms and conditions that permit the qualifying carrier to "fully benefit" from the economies of scale and scope of the ILEC.[4] The Commission may not require Incumbent LECs to make services or facilities available if the requesting carrier intends to provide services to consumers in the incumbent LEC's "telephone exchange area."[5] Finally, Incumbent LECs must file "any tariffs, contracts, or other arrangements that show rates, terms, and conditions" under which the incumbent LEC is making available "public switched network infrastructure and functions" pursuant to Section 259.[6]

MCI believes that Congress intended the Commission to implement rules permitting

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2 47 U.S.C. §259(a).

3 An eligible carrier is one that is entitled to receive universal service support under Section 214(e).

4 47 U.S.C. § 259(b)(4). Section 259(d) defines a "qualifying carrier" as a telecommunications carrier that(1) lacks economies of scale or scope, as determined in accordance with regulations prescribed by the Commission pursuant to this section; and (2) offers telephone exchange service, exchange access, and any other service that is included in universal service, to all consumers without preference throughout the service area for which such carrier has been designated as an eligible telecommunications carrier under Section 214(e).

5 47 U.S.C. § 259(b)(6).

6 47 U.S.C. § 259(b)(7).

information on terms more favorable than they would receive, either under Section 251, or under any agreement among non-competing LECs prior to the passage of the 1996 Act. Section 259 can realize Congress' desire of promoting universal service only if the qualifying LEC has the ability to gain access to incumbent LEC facilities, over-and-above its ability to do so under Section 251. Congress believed that the competition induced by Section 251 would promote greater availability and quality of telecommunications services. By granting LECs qualifying under Section 259 the same access to Incumbent LEC facilities, resources, and information as available under Section 251, the benefits of competition will be carried over to areas where competition has yet to develop. MCI's forthcoming discussion and analysis flows from this proposition.

III. Implementing Infrastructure Sharing Provisions

A. Section 259(a)

In its Notice, the Commission requests parties to comment on how to interpret the scope of the requirement in Section 259(a) to "...to make available to any qualifying carrier such public switched network infrastructure, technology, information, and telecommunications facilities and functions as may be requested by such qualifying carrier for the purpose of enabling such qualifying carrier to provide telecommunications services, or to provide access to information services, in the service area in which such qualifying carrier has requested and obtained designation as an eligible telecommunications carrier under section 214(e)."[7]

The Commission specifically requests comment on the implications of Section 259(b)(6) which provides that an Incumbent LEC shall not be required to engage in infrastructure sharing

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[7] 47 U.S.C. § 259(a).

under Section 259 with carriers that do compete with the Incumbent LEC. The Commission seeks comment on whether this implies that carriers seeking access to Incumbent LEC facilities under Section 259 must do so exclusively under Section 259, or whether they may in some fashion, build upon the rights available to requesting carriers under Section 251.

Section 251 makes only one limitation with regard to the status of requesting carriers: Incumbent LECs must provide access to the telecommunications facilities necessary for the transmission and routing of telephone exchange service and exchange access.[8] As discussed above, MCI contends that the purpose of Section 259 is to provide a mechanism to share the benefits of competition expected subsequent to Section 251 negotiations, with more expensive, hard-to-serve customers that may not have more than one local exchange company to choose from. Accomplishing this goal will require making the terms and conditions carriers gain access to incumbent LEC rights of way, facilities, and services under Section 251 the lower-bound standard by which qualifying companies may gain access to Incumbent LEC infrastructure, facilities, and services under Section 259.

MCI recommends the Commission make its rules regarding access to Incumbent LEC facilities and services adopted in §51.305-§51.323; §51.405;§51.501-§51.515; §51.601-§51.617; and §51.701-§51.717 available to any Section 259 qualifying carrier. Such qualifying carriers should not be limited to negotiating exclusively pursuant to Section 251 because the terms, conditions, and rights afforded a carrier under Section 251 should serve as a minimal baseline for what should be made available under Section 259. Section 251 contemplates competition between the Incumbent LEC and the requesting/interconnecting carrier. Section 259 prohibits

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[8] 47 U.S.C. § 251(c)(2)(A).

competition. Consequently, one would hope the terms negotiated under Section 259 would be more favorable to requesting carriers than would be available under Section 251, since the Incumbent LEC would not have an interest in impeding competitive entry.[9] Requiring a carrier qualifying under Section 259 to negotiate exclusively under Section 251 would possibly reduce a negotiating advantage granted to it under Section 259(b)(6).

By granting qualifying Section 259 carriers the advantage of negotiating terms more favorable than what they would get under Section 251, the Commission would be spared the task of explicitly determining the extent of additional or superior access to infrastructure, information, facilities, and services that should be made available to Section 259 carriers.[10] Having the Commission's Part 51 rules as a minimal threshold available to the Section 259 carrier, combined with the requirement that the Section 259 carrier not compete with the Incumbent LEC should give the Incumbent LEC an incentive to negotiate access and interconnection agreements more favorable to the requesting carrier, and at the same time give all parties the flexibility to determine the exact degree to which improvements upon the 251 threshold are made.

There is one instance where the Commission should explicitly identify the additional rights/access entitled to a qualifying Section 259 carrier. In addition to permitting requesting carriers to gain access to Incumbent LEC infrastructure that are enumerated in Part 51 of its rules,

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[9] At the same time, because Section 259 carriers may not be able to leverage the expertise and clout that comes from engaging in negotiations with the same incumbent LEC across many states. Thus, one might hope a Section 259 agreement would be more advantageous to the requesting carrier than a Section 251 agreement, but one should not rely exclusively on it to promote universal service.

[10] See Notice paras. 15-17.

the Commission should expand access to include information services, and the facilities required to provide information services for a qualifying Section 259 carrier. Under Section 251(c)(3), new entrants were limited to requesting access facilities for the provision of a telecommunications service. Section §259 extends the definition of facilities for the purposes of providing both "telecommunications services, or to provide access to information services...."[11]

In its Notice, the Commission tentatively concludes that it has sole authority to create rules implementing Section 259, except inasmuch as: (1) incumbent LECs must file Section 259 tariffs with State commissions; (2) State commissions are authorized to determine the service territory of carriers under Section 214(e), and (c) State commissions may designate a 214(e) carrier for unserved areas. MCI supports this conclusion. Section 259(a) explicitly authorizes the Commission to "...prescribe... regulations that require the incumbent local exchange carrier to make available to any qualifying carrier such public switched network infrastructures ... as may be requested by such qualifying carrier..." Moreover, the Commission is required to define the test for a carrier qualifying under Section 259.[12]

B. Section 259(b)

1. Section 259(b)(1)

Section 259(b) pertains to the infrastructure sharing terms and conditions with which Incumbent LECs must comply. In its Notice, the Commission first seeks comment on what standard should be used for determining whether an action "is economically unreasonable or not

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[11] See, §259(a).

[12] 47 U.S.C. § 259(d)(1).

in the public interest."[13] The Commission tentatively concluded that "...no incumbent LEC should be required to develop, purchase, or install network infrastructure, technology, facilities or functions solely on the basis of a request from a qualifying carrier to share such elements when such incumbent LEC has not otherwise built or acquired and does not intend to build or acquire such elements."[14]

MCI recommends the Commission apply its Part 51 standard of technical feasibility for access to all Incumbent LEC facilities, services, data bases and information a Section 259 qualifying carrier requires from an Incumbent LEC, so long as these services and facilities, etc. would be included under Section 251(c)(2)(A). Doing so would continue making the provisions of Section 251 the lower threshold for Section 259 qualifying carriers. For these services, a Section 259 qualifying carrier would be able to request facilities the Incumbent LEC has not built so long as it compensated the Incumbent LEC for the additional costs plus a reasonable profit.[15] MCI supports the Commission's use, and definition, of the concept economically unreasonable for information services, and other services not included in Section 251(c)(2)(A), so long as the Incumbent LEC bears the burden of proving it would be unable to recover costs associated with a Section 259 request.

1. Section 259(b)(2)

The Commission next asks for comment on how to implement the joint ownership

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13 47 U.S.C. § 259(b)(1).

14 Notice at para. 20.

15 Implementation of Local Competition Provisions of the Telecommunications Act of 1996, CC Docket 96-98, First Report and Order, (Local Competition, First Report and Order), August 8, 1996, at para. 199.

requirements of Section 259(b)(2). The Commission concludes that "...in the absence of evidence that there are serious problems in making these arrangements, we should let the participating carriers develop terms and conditions through their own negotiations."[16] MCI agrees with this conclusion. Joint ownership is an activity that goes beyond the scope of Section 251. Consequently, in concert with our previously articulated position on the relation of Sections 251 and 259, the Commission may leave the terms of joint ownership subject to negotiation. Given that the scope of joint ownership projects likely to be undertaken prior to the Commission's completion of its proceeding reforming Part 32 and 36 of its rules is small, it is not necessary for the Commission to consider the accounting and separations implications of joint ownership arrangements pursuant to Section 259 in this docket.

2. Section 259(b)(3)

Here, the Commission seeks comment on " whether the requirement that infrastructure sharing be made available 'to *any* qualifying carrier' reflects an inherent nondiscrimination principle."[17] All carriers, including qualifying Section 259 carriers, should be able to gain nondiscriminatory access to those facilities, services, etc., covered under Part 51 of the Commission's rules. At the same time, the Commission need not be concerned whether different terms and conditions concerning access to facilities negotiated exclusively under Section 259 are discriminatory. Nondiscriminatory access to Section 251 facilities will ensure that qualifying Section 259 carriers have nondiscriminatory access to the Incumbent LEC facilities needed for them to maintain a competitive position against potential rivals.

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[16] Notice at. para. 21.

[17] Notice at para. 22.

3. Section 259(b)(4)

The Commission next seeks comment on "...how to ensure that qualifying carriers benefit fully from the economies of scale and scope of the providing incumbent LEC. Specifically, we ask whether 'fully benefit' from economies of scale and scope necessarily implicates questions about pricing."[18] MCI contends that phrase "fully benefit from economies of scale and scope" does implicate questions about pricing. Specifically, if the qualifying Section 259 carrier is to receive the full benefits of economies of scale and scope inherent in the incumbent LEC network, the incumbent LEC must make its facilities available to qualifying carriers at short-run incremental cost, without recovering profit or common costs. To the extent the facilities in question are included in Section 251, the Commission should require prices for Section 259 facilities to be less than or equal to its interim proxy prices for unbundled network elements, minus an average amount of common costs and a normal rate of return. Once states cost proceedings to establish prices for unbundled network elements are deemed to satisfy the Commission's TELRIC pricing guidelines, these prices, adjusted for exclusion of profits and common costs, should become the permanent rate ceiling for Section 259 facilities.

4. Section 259(b)(5)

The Commission next seeks comment on whether a good faith negotiation standard is required to promote cooperation between incumbent LECs and qualifying carriers, and tentatively concludes that, "because agreements pursuant to Section 259 will be between non-competing carriers, detailed national rules may not be necessary to promote cooperation."[19] MCI contends

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[18] Notice at para. 23.

[19] Notice at para. 25.

that making unbundled elements available as a result of the Commission's Part 51 rules, in conjunction with the 252 process to qualifying Section 259 carriers will establish a uniform, nondiscriminatory, baseline for access to incumbent LEC facilities. Additional procedures to safeguard negotiations between requesting Section 259 carriers and Incumbent LECs are not necessary. It is reasonable for the Commission to rely on informal consultations between the parties and the Commission and, if necessary, existing declaratory ruling procedures and the formal complaint process, including settlement negotiations and alternative dispute resolution.

5. Section 259(b)(6)

In its Notice, the Commission tentatively concluded that an incumbent LEC should not be required to share facilities or services provided under Section 259, if those facilities and services would be used to compete in the incumbent LEC's telephone exchange service area.[20] This conclusion is unnecessarily inflexible. If implemented as stated, it would: (a) rigidify non-competitive relations; and (b) disadvantage the 259-qualifying carrier vis-a-vis the incumbent LEC.

An absolute prohibition on using incumbent LEC facilities obtained initially under a Section 259 agreement to compete against the incumbent LEC would permanently lock the requesting LEC into a noncompetitive relationship with the incumbent. This absolute prohibition also fails to consider the possibility that the incumbent LEC may seek to expand its service territory into the territory of the Section 259 carrier. The Commission's tentative conclusion would seem to permit the incumbent LEC to abrogate the terms of the Section 259 agreement simply by choosing to compete against the Section 259 carrier.

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[20] Notice at para. 26.

The Commission should keep open the possibility of competitive action by either the incumbent or the 259-qualifying LEC. If an incumbent LEC enters the territory of LEC with which it has a 259 agreement, it should be required to honor the terms of that agreement. Conversely, if a LEC that has a 259 agreement with an incumbent LEC enters the service territory of the incumbent, it should be required to bring the terms of its agreement into alignment with the terms of a 251 agreement.

6. Section 259(b)(7)

Section 259(b)(7) requires incumbent LECs to file tariffs with the Commission or state showing the conditions under which the incumbent LEC is making available public switched network infrastructure and functions.[21] In its Notice, the Commission tentatively concluded that "the filing requirement in Section 259(b)(7) refers only to agreements reached pursuant to Section 259, because qualifying carriers obtaining interconnection or access to unbundled elements pursuant to Section 251 or pursuant to agreements entered into prior to the enactment of the 1996 Act are under an obligation to file agreements with the state commission. We also seek comment on whether an incumbent LEC must file agreements showing the rates, terms, and conditions under which such carrier is making available technology, information, and telecommunications facilities and functions listed in Section 259(a) or whether Section 259(b)(7) is limited only to public switched network infrastructure and functions."[22]

MCI supports the Commission's tentative conclusion that the filing requirements

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[21] 47 U.S.C. § 259(b)(7).

[22] Notice at para. 28.

mentioned in Section 259(b)(7) refer only to agreements reached pursuant to Section 259, since, as the Commission correctly argues, prior interconnection agreements will already be filed pursuant to Section 252(e). Section 259 agreements should disclose rates, terms, and conditions under which information, data bases, and facilities are made available in order to specifically evaluate whether Section 259 agreements are indeed more favorable to the requesting carrier than Section 252 agreements, and in general whether Section 259 is fulfilling its mandate to promote universal service in hard-to-serve areas in this more competitive era.

C. Section 259(c)

In its Notice, the Commission tentatively concluded that "...Congress intended Section 259(c) to provide similar notice to qualifying carriers of changes in the incumbent LECs' network that might affect qualifying carriers' ability to fully benefit from Section 259 agreements," as carriers would be able to obtain pursuant to Section 251.[23] MCI supports this tentative conclusion, and believes that the conclusions reached by the Commission in its Second Report and Order and Memorandum Opinion and Order, FCC 96-333 can be applied with only minor modification to the network disclosure required under Section 25(c).[24] This conclusion is consistent with MCI's recommendation that the Commission make the provisions of its Part 51 rules the benchmark upon which Section 259 negotiations can build, in order to transfer the benefits of increased competition to areas where competition may not develop.

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[23] Notice at para. 29.

[24] Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 9698, FCC 96-333, Second Report and Order and Memorandum Opinion and Order, August 8, 1996.

For this reason, MCI supports the Commission's conclusion that the "infrastructure agreements" referred to in Section 259(c) should be interpreted broadly "...to include agreements not only for public switched network infrastructure, but also for "technology, information, and telecommunications facilities and functions."[25] MCI recommends applying the following findings for Section 251 network disclosure to the present case:

* services include both telecommunications services and information services[26]

* interoperability should be defined as the ability of two or more facilities, or networks, to be connected, to exchange information, and to use the information that has been exchanged[27]

* incumbent LECs must provide public notice once they make a decision to implement a change that: (1) affects a requesting carriers performance or ability to provide service; or (2) affects the ability of the requesting carrier to connect, exchange information, or use the information exchanged. Examples of network changes that would trigger public disclosure obligations include, but are not limited to, changes that affect: transmission; signaling standards; call routing; network configuration; logical elements; electronic interfaces; data elements; and transactions that support ordering, provisioning, maintenance and billing.[28]

* public notice of changes should include: (1) the date of changes; (2) the location of changes; (3) types of changes; (4) the reasonably foreseeable impact of changes to be implemented, and (5) a contact person who may supply additional information regarding the changes.[29]

* notice of changes will be accomplished by: (1) providing public notice through industry fora, industry publications, or on their own publicly accessible Internet sites; or (2) by filing public notice with the Commission's Common Carrier Bureau, Network Services

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[25] Notice at para. 31.

[26] Local Competition, First Report and Order, at para. 173.

[27] Local Competition, First Report and Order, at para. 175.

[28] Local Competition, First Report and Order, at para. 179.

[29] Local Competition, First Report and Order, at para. 185.

Division.[30]

* incumbent LECs will be required to disclose planned changes, subject to the section 251(c)(5) disclosure requirements, at the "make/buy" point, or at a minimum of twelve months before implementation. If the planned changes can be implemented within twelve months of the make/buy point, then public notice must be given at the make/buy point, but at least six months before implementation.[31]

* When changes can be implemented within six months of the make/buy point, the incumbent LEC's certification or public notice filed with the Commission must also include a certificate of service: (1) certifying that a copy of the incumbent LEC's public notice was served on each provider of telephone exchange service that has a Section 259 agreement with the incumbent LEC, a minimum of five business days in advance of the filing; and (2) providing the name and address of all such providers upon which the notice was served.[32]

* to the extent that otherwise proprietary or confidential information of an incumbent LEC falls within the scope of the network disclosure obligation of section 251(c)(5), it must be provided by that incumbent LEC on a timely basis. If an interconnecting carrier or information service provider requires genuinely proprietary information belonging to a third party in order to maintain interconnection and interoperation with the incumbent LEC's network, the incumbent LEC is permitted to refer the competing service provider to the owner of the information to negotiate directly for its release. While the incumbent LEC might represent the most expedient source of the required information, third parties would be less able to protect themselves from misuse of their proprietary information and preserve potential remedies if the incumbent LEC were to disclose directly a third party's proprietary information directly in response to a request.[33]

D. Section 259(d)

Section 259(d)(1) defines a qualifying carrier as one that lacks economies of scale or scope. In its Notice, the Commission requests parties to comment on how to determine whether a company lacks economies of scale or scope. Specifically, the Commission asks: whether it should

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30 Local Competition, First Report and Order, at para. 195.

31 Local Competition, First Report and Order, at para. 211.

32 Local Competition, First Report and Order, at para. 212.

33 Local Competition, First Report and Order, at para. 254.

presume that "small" carriers lack economies of scale or scope; and what "level" of operation (plant, company, holding company) to use to measure the extent of economies of scale or scope.

Size is related to the presence of economies of scale. Economies of scale exist when output can be increased at a faster rate than costs are incurred. Being able to serve a market large enough to take advantage of this phenomenon is a necessary condition for realizing economies of scale. Size economies may manifest themselves at the plant, company, or holding company level. Economies of financing are more likely to occur at the holding company level. Economies of product and technological development may occur at the holding company and company level. Operational economies are more likely to occur at the plant level.

Economies of scope exist when two or more products can be jointly produced, delivered, or marketed at a lower combined cost than if they were produced, delivered, or marketed separately. Economies of scope are more likely to occur at the plant and company level, since these are the levels where production, marketing, and distribution occur. Income is likely to be a condition necessary for the realization of scope economies, since scope economies pertain to the willingness of consumers to buy multiple, related products. That is more likely to occur in markets populated by higher, rather than lower, household income.

MCI is not aware of studies estimating the extent of scale and scope economies at different levels of aggregation (i.e. at the plant, company, and holding company level). Consequently, it will be hard to justify excluding any size company on an *a prior* basis from becoming a qualifying Section 259 carrier. A telecommunications holding company may achieve financing economies, but these economies may dwarf in comparison to the diseconomies it might face if it were to serve an isolated, small, rural community. However, the previous discussion

does lend support for the Commission's suggestion that companies that have no corporate parent, that serve rural or low-income areas not contiguous with a non-rural or non low-income area it also serves, would automatically qualify as a Section 259 carrier, provided they also met the Section 214(e) criteria.

In its Notice, the Commission tentatively concluded "...that a factor to be considered in whether an otherwise qualifying carrier lacks economies of scale or scope is the cost of the investment that the carrier would incur to acquire on its own the requested infrastructure, relative to the cost that it would incur to obtain the requested infrastructure from the incumbent LEC."[34] MCI supports this tentative conclusion with modification. Both economies of scale and scope relate the cost of production, not just the cost of investment, to the size or scope of production.

Consequently, MCI recommends the Commission permit requesting carriers that do not meet the *a priori* test of serving a rural or low-income area not contiguous to non-rural or non low-income areas, to qualify as a Section 259 carrier, if they show that they would be able to offer the package services necessary under Section 214(e) at a lower price if they had access to an incumbent LECs "public switched network infrastructure, technology, information, and telecommunications facilities or functions."[35]

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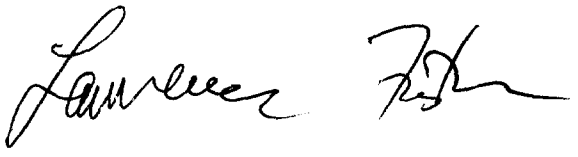
[34] Notice at para. 37.

[35] 47 U.S.C. § 259(a).

IV. Conclusion

For the above-mentioned reasons, MCI encourages the Commission to adopt the tentative conclusions that it proposes in the Notice, and to adopt the proposals suggested by MCI herein.

Respectfully submitted,
MCI TELECOMMUNICATIONS CORPORATION



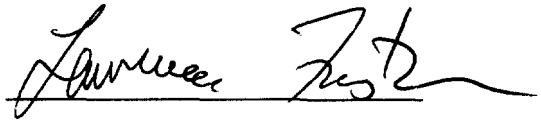
Lawrence Fenster
MCI Telecommunications Corporation
1801 Pennsylvania Ave., NW
Washington, DC 20006
(202) 887-2180

December 20, 1996

STATEMENT OF VERIFICATION

I have read the foregoing and, to the best of my knowledge, information and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct.

Executed on December 20, 1996



Lawrence Fenster
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 887-2180

CERTIFICATE OF SERVICE

I, Stan Miller, do hereby certify that copies of the foregoing Comments were sent to the following on this 20th day of December, 1996.

Reed E. Hundt**
Chairman
Federal Communications Commission
1919 M Street NW, Room 814
Washington, D.C. 20554

James H. Quello**
Commissioner
Federal Communications Commission
1919 M Street NW, Room 802
Washington, D.C. 20554

Susan P. Ness**
Commissioner
Federal Communication Commission
1919 M Street, NW, Room 832
Washington, D.C. 20554

Rachelle E. Chong**
Commissioner
Federal Communications Commission
1919 M Street, NW, Room 844
Washington, D.C. 20554

Regina Keeney**
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW, Room 500
Washington, D.C. 20554

Peyton Winns**
Common Carrier Bureau
Industry Analysis Division
2033 M Street, NW, Room 500
Washington, DC 20554

Thomas J. Beers**
Common Carrier Bureau
Industry Analysis Division
2033 M Street, NW, Room 500
Washington, DC 20554

Scott K. Bergmann**
Common Carrier Bureau
Industry Analysis Division
2033 M Street, NW, Room 500
Washington, DC 20554

Richard Welch**
Common Carrier Bureau
Policy and Program Planning Division
1919 M Street, NW, Room 544
Washington, DC 20554

Kalpak Gude**
Common Carrier Bureau
Policy and Program Planning Division
1919 M Street, NW, Room 544
Washington, DC 20554

ITS
2100 M Street, NW
Suite 140
Washington, D.C. 20037

** Hand-delivered

Stan Miller

Stan Miller